

TRANSCRIPT OF PROCEEDINGS

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

- - - - -	x
In the Matter of:	:
Petition of WorldCom, Inc., Pursuant	: CC Docket
to Section 252(e)(5) of the	: No. 00-218
Communications Act for Expedited	:
Preemption of the Jurisdiction of the	:
Virginia State Corporation Commission	:
Regarding Interconnection Disputes	:
with Verizon Virginia, Inc., and for	:
Expedited Arbitration	:
	:
In the Matter of:	: CC Docket
Petition of Cox Virginia Telecom, Inc.,	: No. 00-249
Pursuant to Section 252(e)(5) of the	:
Communications Act for Preemption	:
of the Jurisdiction of the Virginia	:
State Corporation Commission Regarding	:
Interconnection Disputes with Verizon	:
Virginia, Inc., and for Arbitration	:
	:
In the Matter of:	: CC Docket
Petition of AT&T Communications of	: No. 00-251
Virginia, Inc., Pursuant to Section	:
252(e)(5) of the Communications Act	:
for Preemption of the Jurisdiction	:
of the Virginia Corporation Commission	:
Regarding Interconnection Disputes with	:
Verizon Virginia, Inc.	:
- - - - -	x Volume 4

Pages 939 thru 1298

Washington, D.C.
October 9, 20001

MILLER REPORTING COMPANY, INC.
735 8th Street, S.E.
Washington, D.C. 20003
(202) 546-6666

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Tuesday, October 9, 2001
Washington, D.C.

The hearing in the above-entitled matter came on, pursuant to Notice, at 9:35 a.m.

BEFORE:

DOROTHY ATTWOOD, Arbitrator

KATHERINE FARROBA, Staff

JEFFREY DYGERT, Staff

JOHN STANLEY, Staff

FCC Staff Members:

HENRY THAGGART

CATHY CARPINO

WILLIAM KEHOE

PRAVEEN GOYAL

TAMARA PREISS

ALEXIS JOHNS

BRAD KOERNER

JONATHAN REEL

PAUL MOON

JERRY STANSHINE

APPEARANCES:

On behalf of the Verizon:

RICHARD D. GARY, ESQ.
KELLY L. FAGLIONI, ESQ.
W. JEFFREY EDWARDS, ESQ.
EDWARD P. NOONAN, ESQ.
JENNIFER McCLELLAN, ESQ.
Hunton & Williams
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, Virginia 23219-4074
(804) 788-8200

On behalf of the AT&T:

MARK A. KEFFER, ESQ.
IVARS V. MELLUPS, ESQ.
GEORGE R. (Ridge) LOUX, ESQ.
RICHARD H. RUBIN, ESQ.
STEPHANIE A. BALDANZI, ESQ.
AT&T
3033 Chain Bridge Road
Oakton, Virginia 22185
(703) 691-6046

On behalf of WorldCom:

JODIE L. KELLEY, ESQ.
MARK SCHNEIDER, ESQ.
KIMBERLY SCARDINO, ESQ.
Jenner & Block, L.L.C.
601 13th Street, N.W.
Washington, D.C. 20005
(202) 639-6066

APPEARANCES: (Continued)

On behalf of WorldCom, Inc.:

ALLEN FREIFELD, ESQ.
1133 19th Street, N.W.
Washington, D.C. 20036

On behalf of Cox Virginia Telecom, Inc.:

J.G. HARRINGTON, ESQ.
JILL BUTLER, ESQ.
Dow, Lohnes & Albertson
1200 New Hampshire Avenue, N.W.
Suite 800
Washington, D.C. 20036
(202) 776-2818

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1 P R O C E E D I N G S

2 MR. DYGERT: Good morning, everyone.

3 Thank you, Jodie and Jenner & Block, for
4 accommodating us when we do not do that at the
5 Commission. I guess today we are ready to start
6 with the architecture issue, but first you had a
7 couple of preliminary matters to go through.

8 MR. HARRINGTON: Yes. Cox has two
9 preliminary matters. The first is that today we
10 are filing the letter with the Commission, which is
11 distributed to the Commission staff and the other
12 parties except for WorldCom because I ran out of
13 copies, but it's a letter reflecting the resolution
14 of the motion to strike issues for issue I-5,
15 regarding the use of Internet traffic. It's a
16 letter, as indicated on Wednesday last week, this
17 does not resolve I-5 between Verizon and Cox, but
18 it does take that one issue out. The question of
19 whether the Internet traffic definitions was
20 correct.

21 MS. FARROBA: Could we get you to turn up
22 the volume? It's hard to hear on this end.

1 MR. HARRINGTON: The second issue is Cox
2 and Verizon that issued I-10 relating to
3 termination--term and termination of the agreement;
4 to the extent that the Commission would like to see
5 the language, I'm sure I will produce a copy of
6 final language for you in the next couple of days.

7 MR. DYGERT: Great.

8 Also, issue I think at the end of the day
9 on Friday, the parties had raised questions about
10 bringing people here to testify about rights-of-way
11 and whether we could do without the presence of the
12 witnesses, and I think the answer is yes. If
13 possible, we would like to have someone by
14 telephone because there are a couple of questions
15 that we may have on one of the 313 issues, but I
16 think we are fine without having the witness here,
17 and the questions, I think, will be minimal.

18 The only other preliminary issue that I'm
19 aware of right now is that our understanding is we
20 are waiting to hear back from the parties on the
21 scheduling of the cost testimony, and I guess if
22 there are any specific questions that people have

1 about that now, we could try to respond to them,
2 and if not, we would be interested in knowing at
3 some point tomorrow where these discussions stand.

4 MR. KEFFER: This is Mark Keffer for AT&T.
5 There are--those discussions among the parties are
6 ongoing, and I think we will be able to give you a
7 recommendation later today. I'm hopeful that we
8 will.

9 And I also have some additional
10 preliminary matters, if this is the appropriate
11 time.

12 MR. DYGERT: Sure.

13 MR. KEFFER: AT&T and Verizon had been
14 able to settle a handful of issues over the
15 weekend. Those issues are V-15 and VII-17 relating
16 to sale or transfer of exchanges.

17 MR. DYGERT: Congratulations.

18 MR. KEFFER: Also V-11 relating to
19 indemnification for directory listings.

20 In addition, I have some information that
21 responds to record data requests from last week
22 that we had re-marked as exhibits. Would it be

1 appropriate to distribute that information now?

2 MR. DYGERT: Sure.

3 MR. KEFFER: You have to help me. I'm not
4 sure what exhibit I'm on. I'm told from the back
5 it's Exhibit 28.

6 The first one I will ask my associate to
7 distribute. I will have it marked as AT&T Exhibit
8 28, and it is a response to a question that Verizon
9 posed to Mr. Pfau regarding AT&T personnel with
10 whom Mr. Pfau consulted regarding the New York
11 collaborative.

12 (AT&T Exhibit No. 28 was
13 marked for identification.)

14 MR. KEFFER: So, this is a list of names.

15 The second and last additional exhibit I
16 would ask to have marked at this time as
17 Exhibit 29, is some revised contract language
18 regarding the termination liability on the special
19 access arrangements, and it's in response to a
20 discussion that I was having with Ms. Prices on the
21 record the other date. Indicated the transport
22 record and the response.

1 Again, I would ask that be marked as AT&T
2 Exhibit 29.

3 (AT&T Exhibit No. 29 was
4 marked for identification.)

5 MR. DYGERT: Thank you. Those are
6 received in the record.

7 (AT&T Exhibit Nos. 29 and 30
8 were admitted into
9 evidence.)

10 MR. DYGERT: Is that from AT&T?

11 MR. KEFFER: AT&T, yes. Thank you.

12 MR. DYGERT: Also going back to Cox's
13 letter submission this morning, J.G., I think you
14 were not around when we were having conversations
15 last week with the other parties about making sure
16 that we had in one convenient place the most
17 updated version of the contract language, and I
18 think what we want to do, what we planned on doing
19 with WorldCom and Verizon is relying on the DPL to
20 reflect their most up-to-date contract language.

21 MR. HARRINGTON: The language attached to
22 the letter is not Cox's proposal. Cox's proposal

1 has not been changed.

2 MR. DYGERT: Thank you.

3 MR. HARRINGTON: I guess I should also add
4 that we are checking to make sure that our
5 proposal, the language we put in the JDPL is the
6 most current on each issue for Cox, but it's my
7 understanding that in fact it probably is.

8 MR. DYGERT: All right.

9 For purposes of the record, at least, we
10 would like to have it matter that you just
11 delivered to us in the record of the hearing, so I
12 don't know--I guess that would make it Cox
13 Exhibit 3, wouldn't it?

14 MR. HARRINGTON: I'm working with a person
15 who is numbering things for me who has numbered
16 things for us 3 to 7.

17 We could do it Number 8 or reintroduce it
18 at the time we get to the issue V, at which point
19 it would be easy to put it in the right sequence
20 there.

21 MR. DYGERT: Whichever is easier for you.

22 MR. HARRINGTON: We will also need to take

1 additional copies to do that with the formal
2 language.

3 MR. DYGERT: I wanted to be sure we had it
4 as an actual exhibit in here.

5 MR. HARRINGTON: We will introduce it as
6 an exhibit at the time we do issue V.

7 MR. DYGERT: That's it for preliminary
8 matters, unless someone else has something.

9 Then, are we ready to start the first
10 cross-examination of subpanel one?

11 MS. FARROBA: Just for purposes of the
12 record, this is subpanel one on network
13 architecture, which includes issues I-1, I-1-A,
14 I-2, I-3, I-4, III-3, III-3-A, VII-1, and VII-3.

15 Gentlemen, could we get you each to
16 identify yourselves for the record, please, and
17 then we will have the Court Reporter swear you in.

18 MR. ARGENBRIGHT: Good morning, Mark
19 Argenbright, with WorldCom.

20 MR. GRIECO: Don Grieco, WorldCom.

21 MR. BALL: Gary Ball, WorldCom.

22 DR. COLLINS: Frank Collins, appearing on

1 behalf of Cox.

2 MR. NURSE: Chris Nurse, AT&T.

3 MR. SCHELL: John Schell, David L.
4 Talbott, AT&T.

5 Whereupon,

6 MARK ARGENBRIGHT

7 DONATO GRIECO

8 GARY BALL

9 FRANCIS COLLINS

10 CHRIS NURSE

11 JOHN D. SCHELL

12 DAVID L. TALBOTT

13 were called for examination by the Commission and,
14 after having been duly sworn by the notary public,
15 were examined and testified as follows:

16 CROSS-EXAMINATION

17 MR. EDWARDS: Good morning, gentleman, I'm
18 Jeff Edwards, with the law firm of Hunton &
19 Williams, representing Verizon.

20 Mr. Talbott, let's begin with you. If you
21 would look at page three of your nonmediation
22 direct testimony, which is Exhibit 3, please.

1 MR. TALBOTT: Yes, Mr. Edwards.

2 MR. EDWARDS: I refer you first to lines
3 seven and 12. You used the term there "traditional
4 local telephony paradigm." Do you see that, sir?

5 MR. TALBOTT: Yes, I do.

6 MR. EDWARDS: Do you agree with me, Mr.
7 Talbott in the architectural issues that the
8 Commission faces, those issues have to be resolved
9 on the basis of Verizon's currently deployed
10 network?

11 MR. TALBOTT: No, I do not.

12 MR. EDWARDS: Is it your belief, then,
13 that those issues or these issues need to be
14 resolved based on a hypothetical network?

15 MR. TALBOTT: No, I do not.

16 MR. EDWARDS: Then, if it's not on the
17 current network and it's not on a hypothetical
18 network, what network do you believe these issues
19 ought to be resolved in the context of?

20 MR. TALBOTT: Ought to be resolved
21 consistent with the law.

22 MR. EDWARDS: I understand that, and I

1 think we all agree on that, Mr. Talbott. My
2 question was specifically to the deployed network
3 that exists in the Commonwealth of Virginia.

4 Do you have an opinion on whether these
5 issues need to be resolved in the context of the
6 currently deployed network that Verizon has in
7 Virginia?

8 MR. TALBOTT: No, and I will tend to
9 explain my answer, that we continue to have
10 emerging technologies and new emerging network
11 architectures, and both Verizon and its competitors
12 should be free to deploy networks that are most
13 efficient for the services which they would like to
14 offer in the marketplace and to have limitations
15 placed on those architectures based on existing
16 architecture such that Verizon has deployed in
17 Virginia, should not constrain competitors or even
18 Verizon from deploying a more efficient
19 architecture, and that's why I do not believe that
20 the current architecture which Verizon has deployed
21 should be a key consideration for resolving this
22 issue.

1 MR. EDWARDS: In the context of the answer
2 you just gave me, Mr. Talbott, you used the words
3 "most efficient," which is virtually identical to
4 your language on line 18 of page three where you
5 talk with a healthy, efficient, competitive
6 environment.

7 In determining the efficiency, it's your
8 belief, isn't it, that efficiency ought to be
9 viewed from the perspective of the CLEC? Is that
10 correct?

11 MR. TALBOTT: The Communications Act
12 provides a landscape under which competitors can
13 enter the marketplace, and it provides certain
14 rules under which CLECs can interconnect with
15 Verizon that Verizon does not have reciprocal
16 obligations or reciprocal duties.

17 So, because the Act favors the CLECs.
18 Because of Verizon's market power, CLECs do have
19 some options to deploy different architectures and
20 interconnect in different methods that may not be
21 available to Verizon under the law.

22 MR. EDWARDS: I think we could agree that

1 the Act is intended to promote local market
2 competition, but my question specifically is: In
3 implementing that Act and determining efficiencies,
4 I believe it's your belief as you testified
5 elsewhere that efficiency ought to be viewed from
6 what makes the CLEC most competitive.

7 MR. TALBOTT: AT&T wants the option to
8 determine for itself what's most efficient for
9 AT&T's network. And where we can, we provide
10 Verizon rights to determine its POI and what's
11 sufficient for Verizon.

12 But those are not necessarily reciprocal
13 rights.

14 MR. EDWARDS: I understand.

15 And if there is a tension between those
16 two respective rights, then you believe that
17 tension ought to be resolved in favor of the CLEC;
18 is that correct?

19 MR. TALBOTT: The CLEC should have the
20 discretion, yes, to choose where and how it will
21 deploy its network to serve its customers.

22 MR. EDWARDS: Then do you believe in all

1 cases that if, in fact, that becomes the touchstone
2 for determining efficiency, that by definition
3 local consumers are benefited?

4 MR. TALBOTT: Of course. Without that,
5 competition is unlikely to take root in the local
6 telephony mother place.

7 MR. EDWARDS: So, if that were true, is
8 the converse also true, that then Verizon must
9 bear, under your paradigm, certain network
10 inefficiencies?

11 MR. TALBOTT: I don't necessarily agree
12 with that because Verizon does have certain choices
13 on how it will deploy its network going forward so
14 that it may be the most efficient network for
15 Verizon, considering the circumstances it finds
16 itself in.

17 MR. EDWARDS: Those circumstances then, if
18 that's a qualifier on your statement, you do not
19 believe, do you, that in all circumstances what is
20 efficient for the CLEC is necessarily efficient for
21 Verizon as the ILEC?

22 MR. TALBOTT: I'm not a Verizon engineer,

1 so I don't know that I'm in a position to answer
2 that.

3 MR. EDWARDS: Are you an engineer at all,
4 Mr. Talbott?

5 MR. TALBOTT: I have about 12 years of
6 engineering experience at AT&T.

7 MR. EDWARDS: Let me hand out what will be
8 marked as Verizon Exhibit 45.

9 (Verizon Exhibit No. 45 was
10 marked for identification.)

11 MR. EDWARDS: Now, continuing with
12 Mr. Talbott, please, as a way of background, if you
13 turn to your Exhibit 3, page 134. Are you there,
14 sir?

15 MR. TALBOTT: Exhibit 3 to my direct
16 testimony?

17 MR. EDWARDS: Not Exhibit 3 to your direct
18 testimony. Your direct testimony is Exhibit 3, I
19 believe.

20 MR. TALBOTT: Page again?

21 MR. EDWARDS: 134.

22 MR. TALBOTT: Okay.

1 MR. EDWARDS: Now, in the context of one
2 of the last answers you gave me, sir, you used the
3 term POI. It's an acronym for points of
4 information; is that correct?

5 MR. TALBOTT: That's correct.

6 MR. EDWARDS: And my guess is and your
7 guess is the same; we are going to use that term
8 today frequently?

9 MR. TALBOTT: You could bet on it.

10 MR. EDWARDS: I believe so.

11 Now, there is another term that may also
12 be used today called an IP, which stands for
13 interconnection point. Are you familiar with that?

14 MR. TALBOTT: Yes, I am.

15 MR. EDWARDS: And you would agree with me,
16 I believe, that in the context of assessing
17 Verizon's proposals on issue XI, it's important to
18 understand POI and IP; is that correct? I
19 recognize you may not agree with it, but in
20 assessing Verizon's proposals, those are two terms
21 that are important to those proposals?

22 MR. TALBOTT: I think it's critical that

1 the Commission understand the definitions and the
2 distinction of those concerns in the resolution of
3 this issue.

4 MR. EDWARDS: All right. Let me ask you
5 again to look at page 134 of your testimony, lines
6 13 through 15. And there you criticize Verizon for
7 trying to promote an unsupportable position
8 regarding the existence of the term IP distinct
9 from the term POI; is that correct?

10 MR. TALBOTT: That's correct.

11 MR. EDWARDS: If you look at page 135, you
12 criticize Verizon again in lines six through nine
13 for failing to cite a single statute or FCC
14 citation supporting that distinction. Do you see
15 that?

16 MR. TALBOTT: Yes, I do.

17 MR. EDWARDS: What Verizon could have
18 cited, Mr. Talbott, is what's been marked as
19 Exhibit 45, which is your testimony from North
20 Carolina; is that correct?

21 MR. TALBOTT: That would have been
22 Verizon's choice.

1 MR. EDWARDS: Let's look at that exhibit
2 for a minute.

3 What I have done is I gave you yesterday
4 or your counsel last night the entire set of
5 testimony, and I excerpted it here. Pages two,
6 three and four. You agree with me this is your
7 testimony in North Carolina a year ago; correct?

8 MR. TALBOTT: It looks familiar.

9 MR. EDWARDS: Is it your testimony in
10 North Carolina? In fact this was your pre-filed
11 testimony that was incorporated into the record;
12 correct?

13 MR. TALBOTT: It appears to be. I wasn't
14 the one who pulled this copy document and copied
15 it, but it appears to be my testimony.

16 MR. EDWARDS: In fact, I gave your counsel
17 a complete copy of the transcript. Did you see
18 that, sir?

19 MR. TALBOTT: Yes.

20 MR. EDWARDS: Let me ask to you look at
21 page three. At the bottom of the page there, you
22 actually define a POI as a point where two parties'

1 networks physically interconnect; correct?

2 MR. TALBOTT: In the North Carolina
3 testimony I did that.

4 MR. EDWARDS: And on page four of that
5 exhibit you made a distinction between POI and IP
6 and defined IP as a point where financial
7 responsibility for network interconnection exists;
8 correct?

9 MR. TALBOTT: Yes, I did.

10 MR. EDWARDS: Then you ask yourself the
11 question, why is this distinction so important?
12 And that's the same distinction you reference on
13 page 134 of your familiar that Verizon is
14 impermissibly, in your opinion, trying to make;
15 correct?

16 MR. TALBOTT: What is impermissible is not
17 the use of the term interconnect point. It is how
18 Verizon has applied the term interconnection point
19 that is impermissible.

20 MR. EDWARDS: So now you recognize there
21 is a distinction between POI and IP; is that
22 correct?

1 MR. TALBOTT: Verizon in its contract
2 language--

3 MR. EDWARDS: Excuse me, Mr. Talbott--it
4 would be much better if you finish your answer. I
5 promise I will let you explain.

6 MR. TALBOTT: Yes. Two parties in their
7 contract language have proposed two different terms
8 in the resolution of this issue and how the parties
9 will interconnect. They have vastly different
10 meanings. And how Verizon using the term
11 interconnection point or applies the term
12 interconnection point in its Virginia contract
13 proposal is vastly different than how AT&T proposed
14 the application of interconnection point in the
15 North Carolina proceeding.

16 MR. EDWARDS: Well, Mr. Talbott, in North
17 Carolina you noted the same distinction that
18 Verizon makes. In fact, on lines 20 to 22 on page
19 four of that exhibit you admonish the Commission
20 there to be very careful and not confuse those two
21 terms, and here you're saying there is no
22 distinction at all.

1 MR. TALBOTT: Yeah, the term IP has no
2 further usefulness or relevance to this Commission
3 for resolving this issue, and that is a reason why
4 AT&T is no longer advocating the use of the term
5 interconnection point for use in contract language
6 or for even determining a resolution of this issue.
7 It's unnecessary.

8 And to tell you the truth, we find it
9 confusing. AT&T did advocate in a number of state
10 proceedings the use of the term interconnection
11 point, and to tell you the truth, we found that the
12 Commissions were often confused by having two terms
13 so similar in meaning almost to the same thing.

14 And so, last summer, following the FCC's
15 Oklahoma Kansas 271 order where the FCC made pretty
16 clear the relevance of POI, we found it no longer
17 useful or in our interests to use the term IP,
18 because the term POI has both a function of
19 physical interconnection and financial demarcation
20 to separate the difference between interconnection
21 facilities on originating parties' network, and the
22 payment of reciprocal compensation to the

1 terminating party.

2 So, because of that, we no longer use the
3 term IP, and I feel that to best represent AT&T's
4 interests, that we won't any longer advocate the
5 position that we did in North Carolina.

6 If I might add also, the position that
7 AT&T took in North Carolina is substantively no
8 different than the position AT&T takes here in
9 Virginia. It's simply a matter of how AT&T used
10 terminology to describe its position.

11 MR. EDWARDS: And you know how the
12 Commission came out in that decision, don't you,
13 Mr. Talbott?

14 MR. TALBOTT: They ruled for Bell South.

15 MR. EDWARDS: I move for the admission of
16 Exhibit 45.

17 MR. DYGERT: Any objection, Mr. Keffer?

18 MR. EDWARDS: Let me hand out what I will
19 have marked as Exhibit 46.

20 (Verizon Exhibit No. 46 was
21 marked for identification.)

22 MR. DYGERT: Does AT&T have an objection

1 to the admission of Verizon's Exhibit 45?

2 MS. SCHMIDT: I would like a
3 qualification. Is the exhibit going to be the
4 entire testimony or the pages that are excerpted
5 here?

6 MR. DYGERT: At this point I think it's
7 only the pages that are submitted here.

8 MR. EDWARDS: That's the proposal.

9 MS. SCHMIDT: I would actually prefer if
10 the entire testimony could be made an exhibit
11 because you can't get the gist of it from these
12 three pages, so I would object unless we include
13 all of it.

14 MR. EDWARDS: I did exchange the entire
15 volume last night, and I don't have any objection
16 to making copies of the entire exhibit.

17 MR. DYGERT: If you don't, I expect AT&T
18 will.

19 MR. EDWARDS: We will substitute it.

20 MR. DYGERT: All right.

21 MS. SCHMIDT: Thank you.

22 MR. DYGERT: Then as modified, Exhibit 45

1 will be accepted.

2 (Verizon Exhibit No. 45 was
3 admitted into evidence.)

4 MR. EDWARDS: I had marked Exhibit 46 for
5 at least demonstrative purposes at the moment,
6 which is a map of Virginia that reflects local
7 serving areas and Verizon LATAs located in
8 Virginia. There's other information also on this
9 map, but those two pieces of information at a
10 minimum are reflected.

11 Do you see that, Mr. Talbott?

12 MR. TALBOTT: Yes, I do.

13 MR. EDWARDS: Had you ever seen this map
14 before?

15 MR. TALBOTT: No.

16 MR. EDWARDS: Had any other witnesses seen
17 this map? Mr. Schell?

18 MR. SCHELL: Yes, sir.

19 MR. EDWARDS: Have you seen this?

20 MR. SCHELL: Yes.

21 MR. EDWARDS: In what context?

22 MR. SCHELL: In doing some research on

1 local calling areas.

2 MR. EDWARDS: Is my representation
3 accurate regarding what this map reflects?

4 MR. SCHELL: You mean is the map accurate?

5 MR. EDWARDS: No, my representation of
6 what I think it reflects including local calling
7 areas and LATAs.

8 MR. SCHELL: I think it's correct on LATAs
9 and it lists the rate centers, but it doesn't
10 really show what the local calling areas are, per
11 se.

12 MR. EDWARDS: Why do you say that?

13 MR. SCHELL: Well, for example, if I
14 looked at Richmond, I couldn't tell exactly what
15 Richmond can call--what's within Richmond's calling
16 area.

17 I mean, it doesn't have a lines drawn
18 around the local calling areas.

19 For example, Richmond has basically local
20 or extended calling throughout most of the LATA in
21 the Verizon territory.

22 MR. EDWARDS: But extended calling is

1 different than what I'm talking about in terms of
2 the local exchange area; correct?

3 MR. SCHELL: Well, but again, Richmond has
4 local calling to Ashland, Goochland, Manakin and
5 Varina, and there are no particular marks on here
6 to show that.

7 MR. EDWARDS: All right. Dr. Collins, you
8 had seen this before?

9 DR. COLLINS: I had a question, and I had
10 seen information similar to this on this map, but
11 not this map, per se.

12 MR. EDWARDS: All right. I hope in the
13 context of some of our discussion it will be
14 helpful. If you don't find it, I know some of your
15 exhibits I saw last night, there may be other maps
16 being used and other drawings.

17 Mr. Talbott, again staying with you, sir,
18 I want to talk a minute about issue XI specifically
19 and the various proposals that have been made with
20 respect to interconnection there.

21 And I want to take us back for a minute to
22 the time before the Telecommunications Act and

1 local market competition; all right, sir?

2 MR. TALBOTT: All right.

3 MR. EDWARDS: Now, everybody has read the
4 testimony, and they recognize that there is some
5 discussion in Verizon's testimony of an example of
6 calls made from Staunton to Roanoke. Are you
7 familiar with that?

8 MR. TALBOTT: I recall that.

9 MR. EDWARDS: If we look on the map,
10 Staunton and Roanoke are within the like?

11 MR. TALBOTT: Right.

12 MR. EDWARDS: Staunton is in the northeast
13 portion of that LATA, and Roanoke is in the middle
14 of the LATA.

15 MR. TALBOTT: Yes.

16 MR. EDWARDS: In fact, that extends down
17 to southwestern Virginia.

18 MR. TALBOTT: Yes.

19 MR. EDWARDS: Do you know where Norton is?

20 MR. TALBOTT: No, I don't.

21 MR. EDWARDS: In fact, do you know whether
22 Verizon has facilities down in Norton, Virginia?

1 Switches? You don't know?

2 MR. TALBOTT: This is a Verizon serving
3 area?

4 MR. EDWARDS: Yes.

5 MR. TALBOTT: Then Verizon would have
6 facilities.

7 MR. EDWARDS: Now, the example in the
8 testimony. Would the same example you agree with
9 me with Staunton down to Norton in the southwestern
10 tip of Virginia if that example has merit? Would
11 you agree with that?

12 MR. TALBOTT: The Staunton-Roanoke example
13 is more applicable because AT&T has a POI in
14 Roanoke. We wouldn't have one in Norton.

15 MR. EDWARDS: But you could? Under your
16 contract, proposed contract language, you could put
17 one wherever you choose; is that correct?

18 MR. TALBOTT: That is correct. We
19 happened to have the POI one in Roanoke.

20 MR. EDWARDS: Let's use that.

21 Prior to competition, prior to local
22 market competition, let's say there is a Staunton

1 caller area A and Staunton call area B, both of
2 whom are Verizon customers, competition.

3 Would you agree with me that when Staunton
4 caller A calls Staunton caller B that, generally
5 speaking, that call stays within the Staunton local
6 calling area and does not go outside that area?

7 MR. TALBOTT: The way most incumbent LECs
8 had designed and still continue to design their
9 work is the preponderance of traffic is exchanged
10 locally within the local calling area, but that is
11 not always the case.

12 For example, there are far more local
13 calling areas than there are local tandems, which
14 when trunks between two local switches are busy
15 during the busy hour, normally the most efficient
16 way to get the traffic is to route it through a
17 local tandem.

18 And you will find not only in Virginia,
19 but I think across the United States that there are
20 fewer local tandems than local calling areas, which
21 means that Verizon, for its own efficiencies and
22 for its own purposes during busy hours, routes

1 traffic outside of the local calling area in order
2 to complete it.

3 MR. EDWARDS: My question actually had the
4 qualifier generally in it, and I believe you used
5 the term perhaps preponderance; correct?

6 MR. TALBOTT: That would be the most
7 efficient of ways to have the preponderance of
8 local switched remain in the local calling area.

9 MR. EDWARDS: Then prior to competition,
10 both of those customers presumably would be
11 compensating Verizon through their payment for
12 basic local telephone service; correct?

13 MR. TALBOTT: That, and I guess also the
14 exchange access charges that Verizon collects from
15 IXCs from customers per long distance.

16 MR. EDWARDS: I'm just talking about local
17 calls at the moment, all right, sir?

18 Now, let's go to post-competition scenario
19 one, and to look at that, do you have a copy of the
20 JDPL up there?

21 MR. TALBOTT: No, I do not.

22 (Document handed to Mr. Talbott.)

1 MR. EDWARDS: Let me ask you to look at
2 page two of the JDPL. This is the network
3 architecture to JDPL.

4 Had you seen this document before,
5 Mr. Talbott?

6 MR. TALBOTT: No, I haven't, but I'm
7 somewhat familiar with the contract proposal
8 between AT&T and Verizon.

9 MR. EDWARDS: You will see at the top of
10 the page petitioner's proposed contract language in
11 the third column from the left, and there is
12 contract language there that's in italics. Do you
13 see that?

14 MR. TALBOTT: 11 and 12 and 13?

15 MR. EDWARDS: Yes, sir.

16 MR. TALBOTT: Yes, I see that.

17 MR. EDWARDS: The language that's
18 italicized is AT&T proposed contract language. Do
19 you recognize that language?

20 MR. TALBOTT: Yes, sir.

21 MR. EDWARDS: Look at 1.2 there. This
22 language deals with AT&T establishing a POI within

1 a LATA; is that correct?

2 MR. TALBOTT: Yes, it does.

3 MR. EDWARDS: And earlier you said that
4 the AT&T had a switch in Roanoke, and I said it
5 doesn't have to put it there. In fact, their
6 language gives AT&T the sole discretion to locate
7 its POI within a LATA?

8 MR. TALBOTT: At any technically feasible
9 point on AT&T's LATA.

10 MR. EDWARDS: There is a reference there
11 to the acronym ESIT. Do you know what that means?

12 MR. TALBOTT: Exchange service
13 interconnection traffic. That acronym is simply
14 local and intra-LATA toll traffic collectively
15 together. That's what it means.

16 MR. EDWARDS: It's local traffic and
17 intra-LATA toll?

18 MR. TALBOTT: The reason for that is both
19 classes of traffic are handled in both parties'
20 networks over the same transmission facilities and
21 switching facilities, so the two types of traffic
22 are handled identical, so we had a term so rather

1 than say local and intra-LATA control over and over
2 again, we said ESIT.

3 MR. EDWARDS: Okay. This 1.3 of AT&T's
4 proposed language deals with establishing the local
5 of the AT&T POI; correct?

6 MR. TALBOTT: 1.3?

7 MR. EDWARDS: Yes.

8 MR. TALBOTT: No, it would establish the
9 parameters for a POI for its question.

10 MR. EDWARDS: The question is, is that the
11 AT&T POI or the Verizon POI?

12 MR. TALBOTT: That would be the Verizon
13 POI on the AT&T network. That's the point at which
14 Verizon would interconnect to AT&T the delivery of
15 traffic originating on its network.

16 If I might add, AT&T and Verizon has come
17 to agreement to each party could use one-way trunks
18 so that the transmission facilities AT&T would use
19 to deliver traffic to Verizon would be different
20 and could be different, most likely would be
21 different than the transmission facility Verizon
22 would use to deliver traffic to AT&T, thereby